

**OLYMPIC
DELIVERY
AUTHORITY**

Olympic Delivery Authority

Summary of Business Plan 2007/08

15 March 2007

Progress to date

The Olympic Delivery Authority (ODA) is a delivery organisation. It is responsible for delivering the new venues, infrastructure and transport for the London 2012 Olympic Games and Paralympic Games while contributing to a sustainable legacy. Its programme of activity is substantial and set against an immovable deadline.

The ODA commenced activity in April 2006 following Royal Assent of the London Olympic Games and Paralympic Games Act 2006. Building on the work undertaken by the London Development Agency (LDA) and Transport for London (TfL) since the successful bid in July 2005, the ODA has made excellent progress, meeting all key milestones during its first year of operation. These milestones are:

- **Building the team.** The ODA's executive team was in place by September 2006. The ODA has built capacity further through the procurement of its Delivery Partner, CLM. This has brought together the programme and project management expertise and resources. The three companies that form the CLM consortium have between them worked on five previous Olympic and Paralympic Games.
- **Agreeing the timetable.** A high level programme was published in July 2006 that set the delivery route map to the 2012 Games. In addition, programme reviews have been undertaken to help mitigate any risks of delay.
- **Acquiring the land.** Working with the LDA, well over 90 per cent of land has been acquired on the Olympic Park and over 75 per cent of the workforce has a relocation site confirmed. The Compulsory Purchase Order (CPO) inquiry required to complete this process took place during the summer and a final decision was received in December 2006. Gaining vacant possession by summer 2007 is critical to enable access to land in advance of construction.
- **Locking down the site map.** An updated Masterplan was published in June 2006, six years out from the Games. This plan improved legacy impact and integration with the adjacent Stratford City scheme. This early work underpinned one of the most complex planning applications in the UK which was submitted in early 2007.
- **Cleaning, clearing and creating the platform.** Contracts for the remediation and demolition work needed to create a construction platform for the Olympic Park were let in June 2006 and work started in December 2006.
- **Undergrounding the powerlines.** This is the ODA's first major construction project and will remove the over-head powerlines to enable construction for the Games and open up development opportunities in legacy. Tunnelling commenced in June 2006 and is on track to complete in summer 2007.
- **Integration with Stratford City.** The joint procurement with Stratford City Development Limited of a residential development partner to deliver the Olympic Village is almost complete. Exclusive negotiations with the Lend Lease consortium are expected to conclude in the next few weeks.
- **Developing the venues.** Working closely with the London Organising Committee of the Olympic Games and Paralympic Games (LOCOG), design and legacy planning for venues is continuing, in particular for two of the main Olympic Park venues – the Olympic Stadium and Aquatics Centre. Negotiations with Team Sir Robert McAlpine for the design and build of the Stadium commenced in October

2006. Zaha Hadid Architects are progressing with a design to integrate the Aquatics Centre and the main pedestrian bridge to Stratford City.

- **Engaging with the community.** The ODA completed roadshows in autumn 2006 giving over 5,000 east Londoners from the boroughs of Hackney, Newham, Tower Hamlets and Waltham Forest the opportunity to have their say on the future of the Olympic Park.
- **Publishing the Transport Plan.** The draft Transport Plan for the London 2012 Olympic Games and Paralympic Games was published in October 2006, six years out from the Games, providing more detail on capital works and operational arrangements that were set out in the bid. The ODA has continued to work with other transport organisations such as TfL and Network Rail to progress these schemes.
- **Agreeing the policy framework.** The ODA has developed policies setting out its commitments to areas such as health & safety, sustainability and equality & diversity. The Procurement Policy, published in March 2007, will set the framework through which the ODA engages its supply chain. In addition, the ODA has worked closely with the LDA, the five Host Boroughs and LOCOG to develop employment brokerage and training proposals. A security policy and an agreement with the Trades Union Congress (TUC) regarding employment relations will be completed soon.

Processes for programme management, reporting and assurance as well as project approval have also been put in place to help ensure probity and fulfilment of the ODA's statutory duties.

Activity for 2007/08

The ODA is now coming into its second year. After completing the planning and set-up stage in the organisation the ODA is now moving to the next phase in the project, 'Making the Park 3D – Dig, Demolish, Design'. More detailed milestones covering the phase to the Beijing Games will be published in the coming weeks. The focus of activity will be to:

- work with Government to agree lifetime costs and funding package
- continue to build an effective organisation integrated with CLM and work with them to create float in the programme
- let contracts for utilities infrastructure and services and start permanent and temporary bridge construction
- gain vacant possession and secure planning permission for the Olympic Park site
- complete powerlines tunnelling and start installation of cabling
- continue remediation and demolition work
- design, plan and confirm procurement packaging, tendering and delivery options for venues
- working with other stakeholders help set up employment brokerage schemes and business support services

- start construction of new railway sidings at Orient Way to replace sidings at Thornton's Field which is currently sited in the pedestrian circulation area between the Olympic Stadium and Aquatics Centre
- start construction at Stratford Regional Station to create a gateway station for the Olympic Park and improve capacity and agree proposals for the West Ham station
- embed the ODA's policies relating to health & safety, sustainability, equality & diversity, security and industrial relations.

Budget

For 2007/08, the total cashflow budget is £474.9 million (excluding VAT) and £556.2 million (including VAT). The budget is summarised in Table 1.1.

The two biggest spending projects in 2007/08 are powerlines undergrounding (£80.0 million) and enabling works (£217.2 million in total and £109.2 million net of the LDA contribution).

The total funding requirement for 2007/08 is £543.0 million (total costs including VAT less an estimated £13.2 million carry forward from 2006/07).

The sources of this funding are broken down as follows:

- £209.9 million from the Department for Culture Media and Sport (DCMS) 'Regeneration' funding
- £60.1 million from the Greater London Authority (GLA)
- £173.1 million from the Olympic Lottery Distributor (OLD)
- £11.4 million from Sport England
- £88.5 million from DCMS land sales and other sources identified by DCMS.

Project	Olympic funded	Regeneration funded	Total
	£ million	£ million	£ million
Venues & infrastructure			
Olympic Park masterplanning and town planning permissions	12.5	3.5	16.0
Enabling works	128.1	89.1	217.2
Enabling works (LDA contribution)	(81.0)	(27.0)	(108.0)
Structures, bridges and highways	17.6	5.9	23.5
Powerlines undergrounding	-	80.0	80.0
Utilities	-	11.2	11.2
Olympic Stadium	21.1	-	21.1
Aquatics Centre	11.3	-	11.3
Other venues projects	13.8	-	13.8
Olympic Village and Stratford City	28.0	-	28.0
Thornton's Field	-	16.3	16.3
Site establishment	18.0	-	18.0
Other projects	15.0	1.2	16.2
Venues & infrastructure sub-total	184.4	180.2	364.6
Transport			
Stratford Regional station upgrade	13.1	-	13.1
Conversion of North London Line	2.0	-	2.0
Other transport projects	5.7	-	5.7
Transport sub-total	20.8	-	20.8
Project sub-total	205.2	180.2	385.4
ODA operating costs	59.5	-	59.5
Delivery Partner costs (programme management)	30.0	-	30.0
Operating sub-total	89.5	-	89.5
Total (excluding VAT)	294.7	180.2	474.9
VAT	51.6	29.7	81.3
Total (including VAT)	346.3	209.9	556.2
OVERALL TOTAL COST	346.3	209.9	556.2
Funding			
Cash balance brought forward (estimated)	13.2	-	13.2
Regeneration (DCMS)	-	209.9	209.9
Olympic (GLA)	60.1	-	60.1
Olympic (OLD)	173.1	-	173.1
Olympic (Sport England)	11.4	-	11.4
DCMS land sales and other sources identified by DCMS	88.5	-	88.5
TOTAL FUNDING PACKAGE	346.3	209.9	556.2

Table 1.1: Summary 2007/08 cashflow budget